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State of Utah Department of Commerce Division of Securities

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Executive Director

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Director of Securities

NEWS RELEASE

FORMER BROKER ADMITS THEFT, IS BARRED

February 28, 2006. Salt Lake City, Utah . . . Francine A. Giani, Executive Director of the Utah Department of Commerce, announced that the Division of Securities entered an Order today against Bryan L. Pendleton, of Spanish Fork. Pendleton consented to the entry of the Order and admitted violating the securities laws.

Pendleton had been a licensed securities broker with World Group Securities (WGS). Between December 2002 and January 2004, Pendleton deposited \$20,829.40 in funds from three customers into his own business bank account. The money was used for his own personal use. WGS reimbursed the customers when the theft was discovered. Pendleton has since reimbursed WGS. During this time, Pendleton also borrowed \$51,000 from four others, including two of his clients.

The Order finds that Pendleton engaged in fraud or deceit by converting client funds, borrowing money from clients, selling unregistered securities, engaging in securities transactions outside the supervision of his broker-dealer, and filing false forms with the Division.

Pendleton will pay \$50,000 in fines and restitution and is barred from employment in the securities business.

The Division of Securities encourages all investors to ensure their account statements accurately reflect all transactions and to report any misconduct to the Division. (801) 530-6600.